



23 January 2013

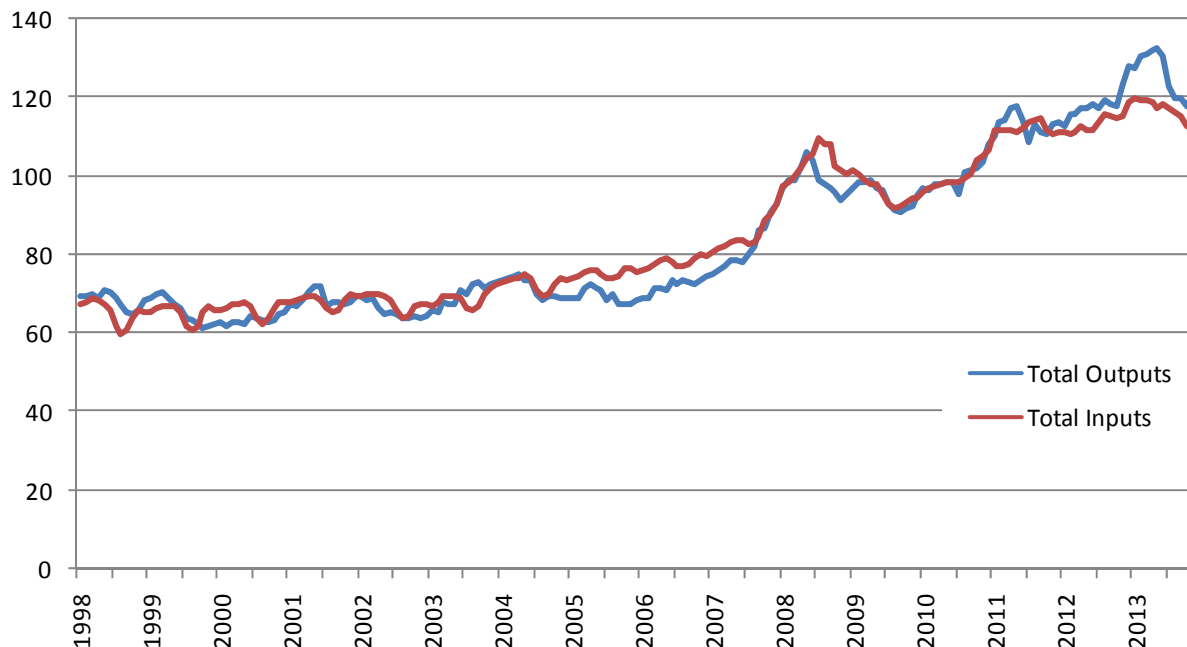
## November Agricultural Price Index

The Agricultural Price Index (API) measures the monthly price changes in agricultural outputs and inputs for the UK. The output series reflects the price farmers receive for their products, also referred to as farm gate price. Information is collected for all major crops (for example wheat and potatoes) and on livestock and livestock products (for example sheep, milk and eggs).

The input series reflects the price farmers pay for goods and services. This is split into two groups: goods and services currently consumed; and goods and services contributing to investment. Goods and services currently consumed refer to items that are used up in the production process, for example fertiliser, or seed. Goods and services contributing to investment relate to items that are required but not consumed in the production process, such as tractors or buildings.

### Key points

**Figure 1: Agricultural price indices (2010=100)**



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The price index for all outputs rose by 2.3% in November the first increase since May 2013. The index for outputs is still 2.4% lower than the same time last year. The price index for all inputs fell by 0.2% in November and is now 2.1% lower than this time last year.

### *Outputs*

A key contributor to the overall increase in output prices was the continued increase in milk prices. Prices increased for the sixth month running as demand remains high for the trade of milk for milk products on the global market. Prices are now 15% higher than this time last year following a 2.8% rise in November.

Cattle prices have continued to fall following the high prices seen in the summer. This is the fifth month that prices have fallen but they are still 1.8% higher than this time last year. Overall livestock prices are little changed on October.

### *Inputs*

There has been little movement in input prices in November. Fertiliser prices are 18% lower than this time last year following a further drop of 1.5% in November. However, there was a slight increase in straight nitrogen fertiliser prices, globally as well as in the UK, as expected shipments from North Africa were not delivered due to a number of problems encountered in the area.

### **Revisions**

Minor revisions were made to data for fresh fruit and vegetables. Changes will be noticed in the data back to April 2013.

### **Data uses**

Farmers use the agricultural price index to help set prices for their output and monitor the price paid for inputs. Analysts in Government, industry and academia use the data to assess the impact that price changes have on industry and consumers.

The Office of National Statistics (ONS) use API data in the production of the Producer Price Index (PPI), which is one of the key measures of inflation.

### **Methodology**

Defra collect prices from a wide variety sources to produce the monthly API. This includes data from our own surveys, information from the Agricultural, Horticultural Development Board (AHDB), and the ONS. For some items we only receive quarterly or annual data, for example, electricity prices. When no new data are available the data for the previous month is carried forward until new data becomes available.

The methodology used is described in the [Handbook for EU Agricultural Prices](#) and is standard across the EU.

### **Weights**

Each item is assigned a weight which reflects their contribution to the overall index. The weights are based upon the value of the item, for example, if the value of animal feed is three times more than fertilisers then the weight for animal feed will be three times more than the fertiliser.

The overall weight for an item is either split equally between the 12 months or reflects the yearly pattern of sales or purchases. For example, if the sales of apples in October are double June sales then October weight is double the June weight for apples. Some outputs are seasonal, for example strawberries, and these will only have a weight for the months they are in season.

To note all weights are based upon base year data which is 2010.

**Table 1 Index of Agricultural Outputs UK (2010=100)**

	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	1 month change	12 month change
<b>All Outputs</b>	130.6	123.1	120.1	119.8	118.1	120.7	2.3%	-2.4%
<b>Crop products</b>	136.0	119.0	115.6	115.8	110.4	115.7	4.8%	-14.9%
Cereals	162.0	148.5	134.0	131.3	133.7	133.3	-0.3%	-17.3%
Wheat	160.2	148.2	133.9	131.5	133.3	133.7	0.3%	-15.6%
Barley	166.8	146.9	132.5	129.1	132.9	133.5	0.4%	-20.7%
Oats	187.5	175.9	149.8	157.1	157.2	117.9	-25.0%	-41.9%
Potatoes	215.3	116.3	131.6	122.4	102.9	107.1	4.0%	-33.0%
Industrial Crops	134.7	122.6	113.7	117.3	110.6	111.0	0.4%	-13.3%
Oilseed Rape	143.1	124.6	114.6	121.9	110.2	111.9	1.5%	-20.0%
Sugar Beet	108.0	108.0	108.0	108.0	108.0	108.0	0.0%	0.0%
Forage plants	119.6	120.8	112.1	104.1	103.4	104.8	1.4%	-4.3%
Fresh Vegetables	119.5	110.1	104.3	105.7	96.7	96.3	-0.4%	-12.5%
Fresh Fruit	104.5	91.1	95.5	106.5	91.2	96.4	5.8%	-16.0%
Flowers and plants	108.9	108.9	108.6	110.6	108.1	109.9	1.6%	0.5%
Other crop products	114.2	114.2	114.2	114.2	114.2	114.2	0.0%	0.0%
<b>Animals and animal products</b>	126.2	126.4	124.4	123.2	122.9	124.4	1.2%	8.3%
Animals (for slaughter & export)	126.6	125.7	120.6	117.0	116.9	116.7	-0.2%	5.4%
Cattle and calves	143.0	141.2	138.8	137.5	132.0	130.5	-1.1%	1.9%
Pigs	117.5	118.8	118.5	120.1	121.2	120.9	-0.2%	6.8%
Sheep and lambs	119.4	113.1	102.9	93.4	95.6	95.7	0.2%	10.7%
All Poultry	113.1	116.5	110.8	103.8	108.9	111.1	2.0%	8.6%
Animal products	125.7	127.7	129.9	132.9	134.7	137.7	2.3%	12.7%
Milk	124.5	127.2	130.1	133.7	135.9	139.7	2.8%	14.7%
Eggs	131.9	129.0	129.0	129.0	129.0	129.0	0.0%	-0.2%

**Table 2 Index of Agricultural Inputs UK (2010=100)**

	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	1 month change	12 month change
<b>All Inputs</b>	118.2	117.1	116.3	115.3	112.9	112.7	-0.2%	-2.1%
<b>All goods and services currently consumed in agriculture</b>	121.3	119.9	118.8	117.5	114.8	114.7	-0.1%	-2.9%
Seeds	109.0	87.6	87.0	87.0	95.8	95.8	0.0%	3.1%
Energy and lubricants	122.2	122.1	124.6	125.1	121.5	119.6	-1.5%	0.8%
Fertilisers and soil improvers	114.6	113.9	114.2	112.4	102.4	100.8	-1.5%	-17.5%
Plant protection products	98.6	98.7	98.6	98.6	98.7	98.8	0.1%	0.5%
Veterinary services	105.8	105.7	105.8	105.8	105.8	105.8	0.0%	0.7%
Animal feedingstuffs	144.9	142.0	136.8	134.7	132.2	131.8	-0.3%	-5.0%
Straight feedingstuffs	157.0	151.9	139.6	135.2	129.3	128.1	-1.0%	-14.8%
Compound feedingstuffs	137.2	134.8	134.8	134.3	134.2	134.2	0.0%	2.3%
Maintenance of Materials	108.4	108.2	108.4	108.9	109.1	109.3	0.1%	2.6%
Maintenance of Buildings	110.3	110.3	110.4	110.9	109.7	109.7	0.0%	0.1%
Other goods and services	109.7	109.9	109.2	108.2	108.0	108.2	0.2%	0.7%
<b>Goods and services contributing to investment</b>	102.9	103.2	103.1	103.1	102.8	102.9	0.1%	2.3%
Materials	100.4	100.7	100.5	100.5	100.1	100.3	0.2%	2.9%
Buildings	107.5	107.6	107.9	108.2	107.5	107.5	0.0%	0.4%
Other (Engineering and soil improvement operations)	107.1	108.1	107.7	107.6	108.1	107.9	-0.1%	2.8%